

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 17, 1995

SUBJECT: **SB 327 - HB 1475**

This bill, if enacted, will amend the *Medical Assistance Act of 1968* relative to managed care organizations. This bill provides that a managed care organization contracting with the state under TennCare shall not require a patient who believes she is pregnant to first make an appointment with a primary care physician to receive a referral to a physician specializing in obstetrics/gynecology.

The fiscal impact from enactment of this bill is estimated to be an increase in costs to the TennCare Program as a result of higher costs incurred by managed care organizations being passed along to the TennCare Program through higher capitation rates which would be necessary to insure that sufficient providers remain in the TennCare Program. The amount of such increase cannot be reasonably determined, since the number of cases is not known but is estimated to exceed \$100,000 in the long run.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



SB 327 - HB 1475

James A. Davenport, Executive Director